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Small Businesses Garnered a Record \$69 Billion In Federal Contracts in FY 2004

Federal Government Surpasses Statutory Goal For Small Business Contracting

WASHINGTON – U.S. small businesses reaped a record \$69.23 billion in federal prime contracts last year, surpassing the previous high by almost 6 percent, Administrator Hector V. Barreto of the U.S. Small Business Administration said today. The contracts represented 23.09 percent of federal prime contracting dollars and 43.7 percent of federal prime contracting actions in FY 2004.

The report from the Federal Procurement Data Center (FPDC) shows federal prime contracting in FY 2004 amounted to \$299.9 billion on 9.97 million contracting actions. Small businesses garnered \$69.23 billion on 4.36 million actions.

“The report shows that the government not only matched its own statutory goal, but it broke records by awarding more contracting dollars to America’s small businesses than ever before,” said Barreto. “However, we can still do better. While the federal government reached its goal, I believe it still has room to improve in allowing small business to compete for additional contracting dollars.”

Of the \$299.9 billion awarded in federal prime contracts, about \$210.7 billion, or more than 70 percent, was awarded by the Department of Defense. Defense awarded \$46.9 billion of its contracts, or about 22.27 percent, to small businesses.

The FPDC report showed that small disadvantaged businesses surpassed their 5 percent goal, registering 6.18 percent of total federal prime contracting dollars with \$18.54 billion in prime contracts. Participants in the SBA’s 8(a) Business Development program received \$8.44 billion in contracts, or 2.8 percent of the total. Contracts to small businesses in economically distressed communities through SBA’s HUBZone program increased by 40 percent, to \$4.78 billion.

The dollars to women-owned small businesses increased by \$814.6 million to a record \$9.1 billion, about 3 percent of the governmentwide total.

Contracts to service-disabled veteran-owned small businesses more than doubled, reaching \$1.15 billion, up from \$550 million in FY 2003.

The FPDC report also shows that 59.1 percent of SBA’s contracting dollars went to small businesses in FY 2004, up from 48.1 percent in FY 2003.

To see the full report, visit <http://www.sba.gov/GC/goals/Goaling-Report-08-21-2005.pdf>. For supplemental information on the data, visit <http://www.sba.gov/GC/goals/fy04-Supplemental-Info.pdf>.